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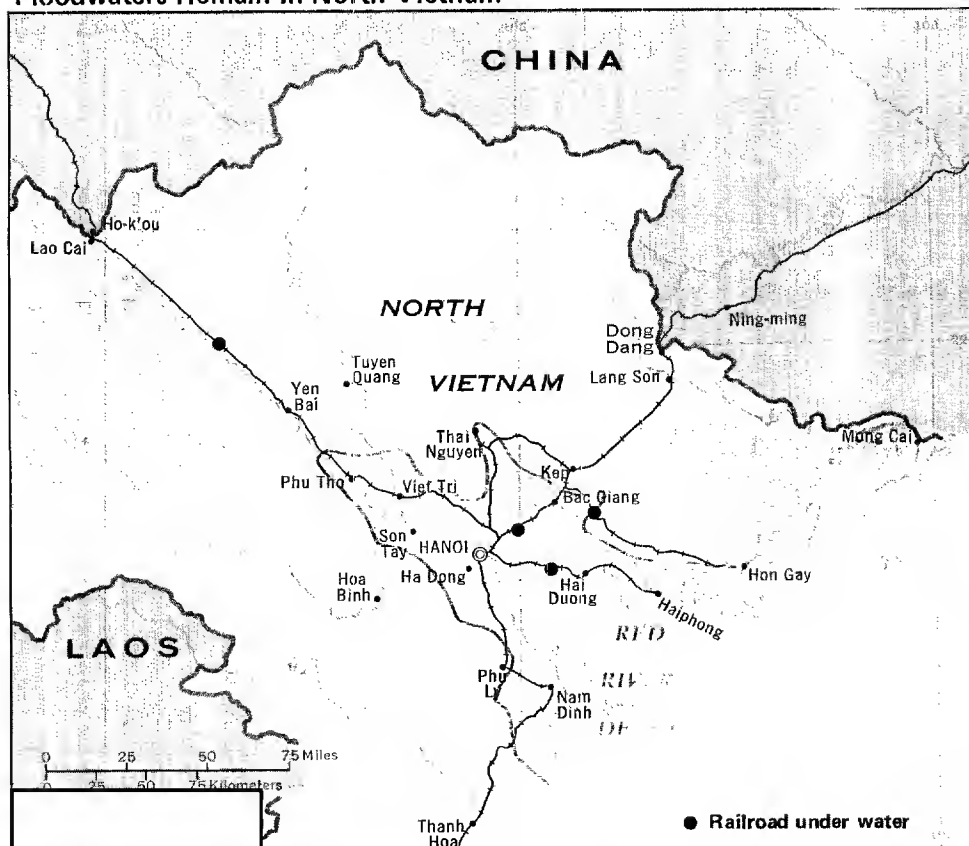
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Floodwaters Remain in North Vietnam

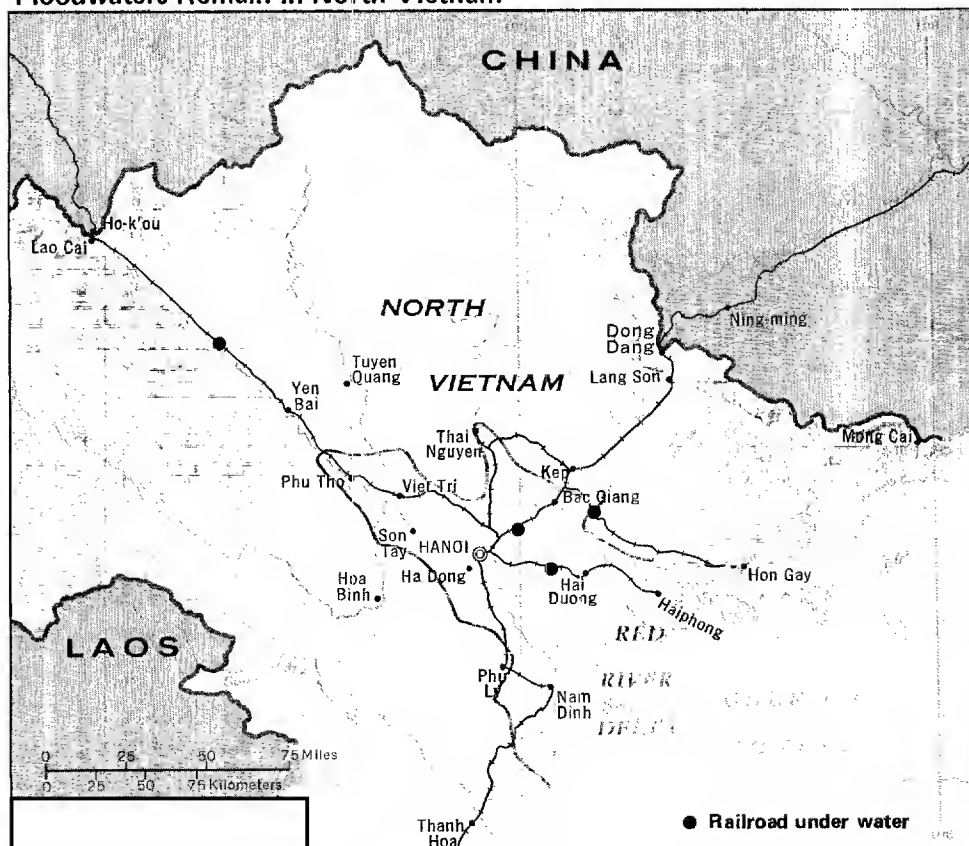


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NORTH VIETNAM: Economic recovery has been set back temporarily by prolonged flooding.

Photography [] shows that, although waters are receding, much of the prime agricultural Red River Delta region remains flooded. Many transportation arteries, including the main rail line to Communist China, are still blocked and the city of Hai Duong east of Hanoi remains flooded. Relief goods shipped by rail from China are probably being diverted at Kep for delivery to Hanoi via the Thai Nguyen rail line. Work crews are rapidly repairing accessible portions of the flooded rail lines so that the lines can be quickly reopened.

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Rice production this year probably will fall short of Hanoi's expectations. Losses are likely to reach 300,000 tons of polished rice or ten percent of the annual harvest, but they are expected to be offset by increased imports from the USSR and China. Meanwhile, the press has advised farmers to plant anything that will mature during the short growing season remaining after the waters recede.

Industrial installations have not been heavily damaged, but disruptions to factory staffs and distribution of raw materials have apparently hampered production. It now seems doubtful that industrial production this year will reach prebombing levels, as had seemed likely earlier.

Flooding was far less severe in southern North Vietnam and has had little effect on logistic preparations for the dry season supply push in the Laotian panhandle. []

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SOUTH VIETNAM: Opposition forces are still trying to stir up agitation against Sunday's election, but they are being hampered by divisions within their own ranks and by effective police countermeasures.

Radical student and veterans groups, encouraged by Vice President Ky, have failed, for the most part, to instigate large-scale disorders in Saigon and other cities. Police have forcefully broken up some budding demonstrations, and some of the protesters have shown a lack of enthusiasm for agitation. Ky and the leaders of the radical groups probably will try to prolong the protests beyond 3 October, but their prospects for touching off larger demonstrations do not appear bright unless the situation takes an unexpected turn, as it might, for example, if police action produced a martyr.

Ky has succeeded in getting a number of diverse opposition groups to join a new antigovernment front, but neither Big Minh nor the An Quang Buddhists are participating. Instead, the Buddhists are setting up a rival organization. An Quang leaders, prodded by militant elements within their own ranks, are beginning to call for nonviolent protests.

Despite the fairly widespread unhappiness over the election, President Thieu seems almost certain to receive what he can interpret as a strong vote of confidence on Sunday. He is counting on heavy support from rural areas, which have remained largely unaffected by the political turmoil in the cities, and reportedly has passed the word to local officials in the provinces to ensure a large turnout. But the calls for a boycott by the An Quang and other groups may keep the vote total below what the President would like.

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Since the opposition remains relatively weak and divided, Thieu probably will weather the present furor without too much immediate damage to his overall political position. Although many moderate and formerly progovernment groups have become critical of the President's policy, only a few have switched sides and joined the active opposition. In the post-election period, Thieu may be able to regain the support of some of these people with conciliatory gestures. However, the loss of confidence in the President and the constitutional system on the part of many others will probably endure and Thieu is likely to face a more energetic opposition for some time to come after the election.

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INDIA: Indian authorities charged with administering the camps for East Pakistani refugees are facing increasingly serious problems.

Refugee dissatisfaction with ration distribution procedures has led to clashes with relief workers and to violence between refugees and local Indians who consider themselves just as needy and entitled to aid as the Pakistanis. Religious tensions also are close to the surface, and the authorities are concerned that this too may result in violence.

All incidents so far have been fairly minor and controllable, but they could become more frequent and serious due to the idleness of camp life and the overcrowded conditions. Moreover, Communist political agitators are taking advantage of the situation to stir up trouble and embarrass the government; several already have been arrested.

The camp authorities are alert to their problems, but fear that the situation may get out of hand unless large numbers of refugees are dispersed to other Indian states.

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GUINEA-USSR: Soviet warships are continuing to patrol Guinean waters in response to President Toure's request, first made last November, for protection against an alleged foreign invasion threat.

Toure's initial request followed a commando raid on Conakry by Portuguese African troops and anti-Toure exiles. Soviet naval units first arrived in mid-December 1970 and two or three ships have remained in the area almost continuously since then, making occasional brief port calls. Furthermore, since 25 August, Soviet warships have been in Conakry harbor itself. [REDACTED]

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[REDACTED] A guided missile destroyer, an amphibious landing ship, and a tanker currently are docked in the harbor. [REDACTED]

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[REDACTED] the Soviet mission is to protect the nearby presidential palace from air attack and to monitor radiobroadcasts, presumably emanating from Portuguese Guinea.

Moscow's quick show of naval force in response to Toure's pleas gives him tangible evidence of Soviet support for his radical government and creates a significant obstacle to any new invasion plan. At the same time, the Soviets are exploiting Toure's security fears to improve their over-all position in Guinea.

Moscow presumably would like to use its current advantage to gain more extensive use of the port. Although this is not out of the question, the independent and unpredictable Toure has resisted any attempts to establish permanent facilities in Guinea that are not subject to his complete control. [REDACTED]

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UN-PEACEKEEPING: A Canadian proposal on guidelines for UN peacekeeping missions may pose problems for the US.

Canadian UN delegates have indicated that the plan will be submitted next week. Although the Canadians have been guarded in describing details, the plan apparently would accord a well-defined role to the military staff committee of the Security Council. The secretary general would retain definite responsibilities, but these would not be as extensive as those exercised in the past.

The proposal therefore seems to be closer to the Soviet concept of strict Council control of peacekeeping missions than to the US view that the secretary general must have some latitude in directing operations. There has been a drift among the middle and small powers toward accepting strong controls by the Council, where these powers believe their interests are as well protected as by the secretary general. The US mission notes that such a proposal from Canada--a leader among the 33 members of the General Assembly's committee on peacekeeping--would thus probably be viewed as a constructive attempt at resolving the superpowers' long-standing differences.

The Canadian initiative apparently deals with peacekeeping in a comprehensive manner that will require considerable study within the committee and serve to prolong its mandate, due to expire this fall. The proposal will probably also weaken any interest in partial measures, such as the creation of a roster of possible troop contributors. The Canadians have told the US they would oppose partial measures as detracting from their scheme. [REDACTED]

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CENTRAL AFRICAN REPUBLIC: President Bokassa appears to have foiled a military coup plot.

25X1 Military units in Bangui reportedly were stripped of their arms on 29 September and confined to barracks when President Bokassa learned of their alleged plans to oust him. [REDACTED]

[REDACTED] military plotters planned to move against Bokassa yesterday morning while troops were strategically deployed in the capital in connection with staged demonstrations against the French Embassy. [REDACTED]

25X1 Some 50 French citizens reportedly were injured during demonstrations mounted by Bokassa in support of his recent demands for nationalization of the CAR's French-controlled currency and banking system. Outraged French residents are now threatening to retaliate by leaving the country en masse, and a boycott by local French teachers has already closed Bangui's secondary schools.

Although there have been no recent indications of serious discontent in the military, Bokassa's latest anti-French antics may have prompted some of his fellow officers to consider a move against the regime. [REDACTED]

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ICELAND: The government apparently now feels that it should settle its current dispute with West Germany and the UK over fishing rights by negotiation rather than by unilateral action.

When the center-left coalition came to power in July, it intended simply to abrogate existing fishing agreements with London and Bonn by unilaterally extending Iceland's present 12-mile fishing limit to 50 miles. Safeguarding Iceland's fishing industry, its primary foreign export business, is the paramount issue in Icelandic foreign policy and enjoys the support of nearly all the people. While Iceland could not rigidly enforce a 50-mile limit, it has apparently felt that unilateral action would offer some protection and would act as a hedge against any universal limitation on off-shore jurisdiction that may come out of an eventual UN Law of the Sea Conference.

Recent statements by Icelandic Foreign Minister Agustsson indicate that his government would now prefer to renegotiate the agreements with Bonn and London. By seeking a more amiable solution to the problem, Reykjavik may hope to lessen the damage to its relations with the two countries and also avoid the risk of international criticism. New agreements might allow a grace period of several years for German and British fishermen to shift their operations to areas outside the proposed 50-mile limit. Agustsson appeared optimistic during a press conference last week when he expressed his government's desire for negotiations and suggested that a special ambassador might be appointed to present Iceland's case abroad. Agustsson apparently won British agreement to open discussions--in November--in a talk with British Foreign Secretary Douglas-Home earlier this week.

Before the government had decided on this shift in tactics, it had committed itself to place the fishing limits issue before the Althing (parliament) in October. If the Althing approved the proposal,

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Iceland would then notify Bonn and London that the agreements would be terminated unilaterally on 1 September 1972. It now appears the government will try to postpone consideration of the proposal in the hope that a more desirable formula can be worked out through negotiations.

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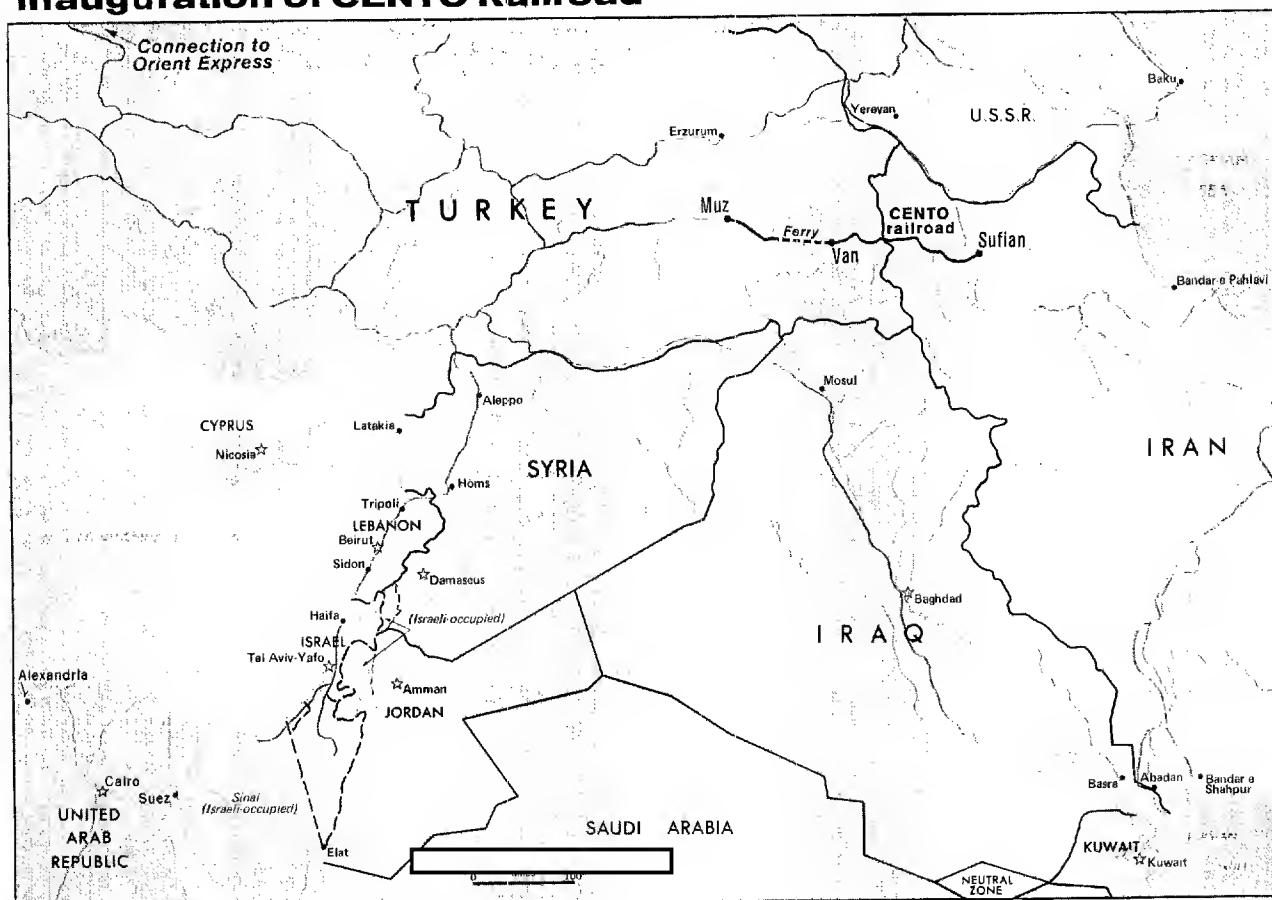
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Inauguration of CENTO Railroad



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IRAN: The recently inaugurated CENTO-sponsored Iranian-Turkish rail link will provide improved access for Iranian exports as well as spur tourism.

Freight rates are not yet known, but charges for shipping at least some items to Western Europe undoubtedly will be less than the cost of shipping around Africa or by road. In addition, the rail line may lower the cost of European imports and reduce the traffic that formerly transited the USSR by rail to Iran. It had been estimated that 200,000 tons of Iran's annual trade with Europe will move via the new line.

From the Shah's standpoint, the new rail link is only part of the plan for increasing Iran's role in the field of intercontinental communications. Proposals call for extensions to Pakistan and conceivably also to Afghanistan and other points in Asia.

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VENEZUELA: The recent trend toward normalizing the situation at the Central University has been set back by renewed violence.

Student disturbances erupted last weekend for still undetermined reasons and this week larger numbers of students have violently protested police "invasions" to restore order. At least ten persons have been injured in the riots and scores of students are under arrest.

The latest round shattered government optimism that the perennial turmoil at the university was in decline. As of last week, the Caldera administration appeared to have calmed Central University, largely through conciliatory policies pursued by the new education minister, Enrique Perez Olivares. All but one faculty had been turned over to university authorities by the students, who had occupied administrative offices since July. Except for a brief period in May, Central University has been closed since October 1970, when the Caldera government took its first decisive step to wrest control of the institution from leftist and Communist groups. There were recent indications that the government would approve a general amnesty for students and professors who were under suspension and that registration for the first elections of university authorities under the 1970 university reform law could begin this month. Even leftist groups reportedly believed that permitting normalization was in their best interest.

The extremists presumably behind the discord have apparently succeeded in halting the cooling off process. The government has announced that it will take whatever steps are necessary to guarantee the rights of the student majority and to punish firmly those who are fomenting the trouble. According to the press, the government is considering moving a permanent national guard force on campus to maintain order--a move that would generally duplicate the situation before last Easter, when the government moved its occupation troops off campus leaving the metropolitan police in charge of security.

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COMMUNIST CHINA: The low-key National Day reception last evening failed to shed any light on Peking's current leadership troubles. Premier Chou En-lai did not attend the reception; the only politburo members who did attend were Vice Premier Li Hsien-nien and the aged Tung Pi-wu. There were no speeches during the abbreviated 90-minute affair. Chinese officials have again privately explained these latest departures from previous practice as merely more "reform." The authoritative editorial that usually marks this major holiday has not appeared so far. [REDACTED]

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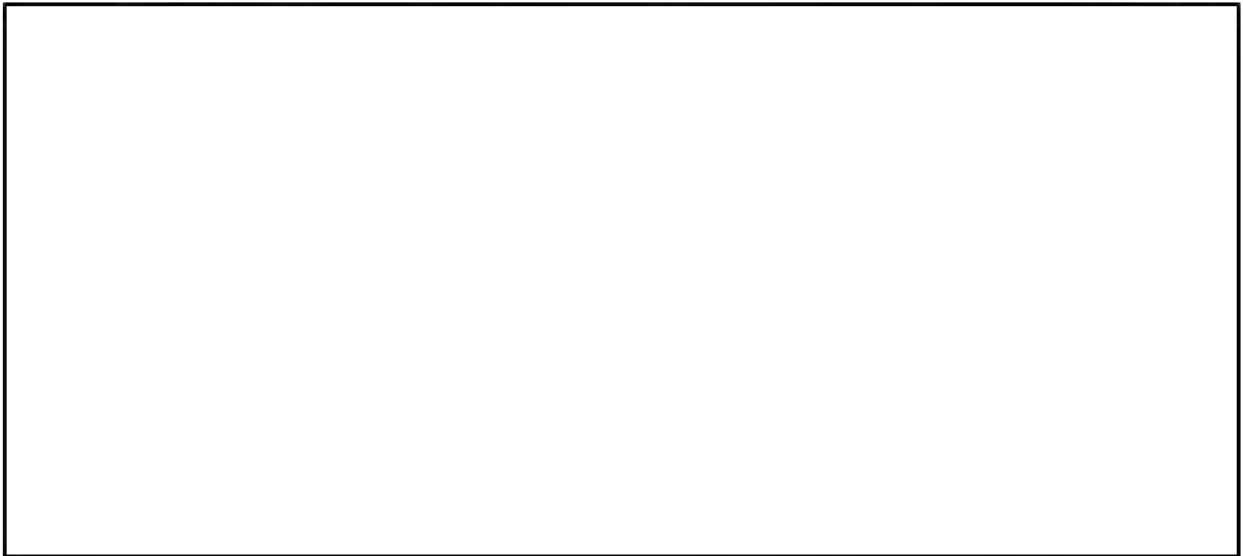
PAKISTAN: Following guerrilla actions that damaged at least five ships last week, seven Western shipping firms have announced an indefinite suspension of service to East Pakistan. The lines provide the only scheduled service between East Pakistani ports and the west coast of North America, all of South America, Africa, Australia, and New Zealand, and together account for about one quarter of all normal shipping service. Another shipping line, while not planning to discontinue service at this time, is recommending an increase in the freight surcharge from five percent to 12 percent because of increased insurance and security costs while its ships are in port. Emergency relief efforts probably will not be affected immediately because nearly all foodgrains are being shipped on nonscheduled chartered vessels. [REDACTED]

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HONDURAS: After several weeks of demonstrations, students and teachers have returned to their classrooms and the bombing campaign has subsided. The heavy concentration of police in Tegucigalpa is apparently in part responsible for the quiet. Although US Embassy officials believe that the situation may remain peaceful for a short period, President Cruz' problems are by no means over.



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